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UNDP Strategic Plan, 2018-2021

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Anchored in the 2030 Agenda for Sustainable Development and committed to the principles of universality, equality and leaving no one behind, the UNDP vision for the Strategic Plan, 2018-2021 is to help countries achieve sustainable development by eradicating poverty in all its forms and dimensions, accelerating structural transformations for sustainable development and building resilience to crises and shocks.

This Strategic Plan sets out a vision for the evolution of UNDP over the next four years, responding to a changing development landscape and the evolving needs of our partners. Building on our experience to date, it describes how we will support countries to achieve the 2030 Agenda and the Sustainable Development Goals and related agreements. The plan reinforces our commitment to working in partnership with Governments, civil society and the private sector, as a catalyst and facilitator of support from the United Nations System as mandated by the General Assembly.[1]

The Strategic Plan describes how UNDP will better adapt to the range of country contexts in which we work, framed through:

(a) The three broad development settings to which our approach responds;
(b) A series of signature solutions that define the core work of UNDP;
(c) The two platforms through which we will deliver our work;
    (i) Country support platforms for the Sustainable Development Goals;
    (ii) A global development advisory and implementation services platform;
(d) An improved business model to underpin our efforts.

[1] General Assembly resolution 71/243 of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system.

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The Strategic Plan answers two questions: (a) what we want UNDP to be; and (b) what we want to achieve.

By 2021, we want UNDP to:

(a) Strengthen its relevance as a trusted partner in a complex and evolving development landscape, strongly committed to its mandate to eradicate poverty;
(b) Be more nimble, innovative and enterprising – a thought leader that succeeds in taking and managing risks;
(c) Be more effective and efficient in utilizing resources to deliver results.

By 2021, we want to catalyse tangible progress on:

(a) Eradicating poverty in all its forms and dimensions, and keeping people out of poverty;
(b) Accelerating structural transformations for sustainable development, especially through innovative solutions that have multiplier effects across the Sustainable Development Goals;
(c) Building resilience to crises and shocks, in order to safeguard development gains.

The Strategic Plan is not meant to be exhaustive or prescriptive. It outlines our future trajectory, working with the United Nations development system to respond to emergent country needs. It proposes a bold transformation for UNDP because the Sustainable Development Goals are bold – and because we believe that UNDP can achieve this ambition building on our decades of experience, deep country partnerships and the dedicated, professional and innovative people who are our greatest asset.

Working together to support implementation of the 2030 Agenda

Common chapter to the Strategic Plans of UNDP, UNICEF, UNFPA and UN-Women

Our commitment

As we set our strategic directions for the next four years, we — the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) — commit to working better together, characterized by stronger coherence and collaboration. We note with appreciation the United Nations Secretary-General's report on repositioning the United Nations development system to deliver on the 2030 Agenda for Sustainable Development. Together we will step up our joint efforts, with a sense of urgency, to better support countries to achieve sustainable development. In line with the 2016 quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR), we will help shape a United Nations development system that responds to our changing world and works in increasingly effective ways to deliver on the Sustainable Development Goals. Our strategic plans represent a clear commitment to United Nations reform and greater coherence in support of results.

Key areas of collaboration

The principles of *leaving no one behind* and *reaching the furthest behind first* permeate all four of our strategic plans. In direct response to the QCPR, we will harness our respective collaborative advantage in compliance with our respective mandates in these key areas:

(a) Eradicating poverty;

(b) Addressing climate change;

(c) Improving adolescent and maternal health;

(d) Achieving gender equality and the empowerment of women and girls;

(e) Ensuring greater availability and use of disaggregated data for sustainable development;

(f) Emphasizing that development is a central goal in itself, and that in countries in conflict and post-conflict situations the development work of the entities of the United Nations development system can contribute to peacebuilding and sustaining peace, in accordance with national plans, needs and priorities and respecting national ownership.

These areas of collaborative advantage have positive multiplier effects across the Sustainable Development Goals and require multisectoral approaches for which the diversity of the United Nations system is an asset. They also provide a basis for closer collaboration with other United Nations entities as well as other partners. As detailed in the annex to the common chapter of the strategic plans, our outputs will complementarily contribute to common results in these

key areas, in accordance with our respective mandates and comparative advantages. The results will be tracked by the common Sustainable Development Goal indicators that are adopted at outcome or impact level in our respective strategic plans, including but not limited to the following:

(a) *Eradicating poverty*: SDG 1.1.1. Proportion of population below the international poverty line by sex, age, employment status and geographical location;

(b) *Eradicating poverty*: SDG 1.3.1. Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable;

(c) *Adolescent health and HIV*: SDG 3.3.1: Number of HIV infections per 1,000 uninfected population, by sex, age and key populations;

(d) *Gender equality*: SDG 5.2.1. Proportion of ever partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months, by form of violence and by age;

(e) *Strengthening data for sustainable development*: SDG 17.18.1. Proportion of sustainable development indicators produced at the national level with full disaggregation when relevant to the target, in accordance with the fundamental principles of official statistics;

(f) *Prevention, resilience, climate change*: SDGs 1.5.1 and 11.5.1 and 13.1.1. Numbers of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population.

Strengthening how we work together

We will work together more effectively at all levels. Most importantly, our strategic plans reflect a change in how we work at country level, recognizing there is no "one size fits all", and fully affirming the primary responsibility of national Governments for their countries' development and for coordinating, on the basis of national strategies and priorities, all types of external assistance.

We will plan together. As part of United Nations country teams we will support national governments and partners to work towards common results and indicators, and collectively report on them through the revised United Nations Development Assistance Framework, as signed by national governments, to drive stronger efficiency and effectiveness. In a significant step forward, these common results will now be underpinned by a mandatory common country assessment from which theories of change can be drawn, and knowledge and expertise can be collaboratively used. This is an important improvement. During the 2030 Agenda era, the United Nations development system, at the country level, will support national priorities on the Sustainable Development Goals; share a common analysis of the issues; and plan, monitor and report on shared results. This increased programmatic collaboration will strengthen system-wide coherence at all levels as we draw data from joint analysis at country level. This change can be tracked through indicators including but not limited to: (a) percentage of entities meeting or exceeding the System-wide Action Plan on Gender Equality and the Empowerment of Women minimum standards; and

(b) percentage of country offices applying the standard operating procedures according to country context.

We will implement programmes together differently. We will continue to support field offices in developing joint programmes, joint results groups and joint workplans in support of country priorities. On financing, we commit to the Addis Ababa Action Agenda of the Third International Conference on Financing for Development. We will work to leverage public finances, including official development assistance, and support the adoption of policies to increase resource flows for the benefit of partner countries. We will promote integrated partnerships, using the full range of financing tools in support of the Sustainable Development Goals. Building on experiences from the common budgetary framework at country level, we are moving to jointly support financing strategies for the Sustainable Development Goals, including through innovative financing. These changes can be tracked through indicators including but not limited to: (a) percentage of country offices engaged in joint programmes; (b) thematic funding as a percentage of other resources; and (c) percentage of country offices that track and report on allocations and expenditures using gender markers.

We will enhance multi-stakeholder partnerships. Reflecting the people-centred nature of the 2030 Agenda, we will support innovative platforms that strengthen collaboration with Governments as well as with civil society and the private sector. We will build on recent progress in engaging citizens through volunteerism, empowerment, participation and other means to strengthen national ownership and capacity, and delivery of the sustainable development agenda. We will also intensify collaboration through multi-stakeholder partnerships at national, regional and global levels, and assist in improving mutual accountability for the Sustainable Development Goals in such partnerships. These changes can be tracked through indicators including but not limited to: (a) percentage of total resources from contributions by donors other than the top 15; and (b) percentage share of total funding coming from private sector partners.

We will enhance efficiency together. Underpinning the drive for ever-greater effectiveness and building on progress made in recent years through the standard operating procedures, we will continue to accelerate efficiency gains through business operations strategies, mutual recognition, and broader operational harmonization. These changes can be tracked through indicators including, but not limited, to the percentage of country offices implementing a business operations strategy.

All of the Sustainable Development Goal and QCPR-based indicators presented in this common chapter and in the annex to the common chapter are a subset of a much larger number of indicators shared by two or more entities that can be identified in the results frameworks of the respective strategic plans. We will report on all common indicators through the annual reports on the implementation of our respective strategic plans.

Looking forward

While fully recognizing that the findings and recommendations of the Secretary General's report on repositioning the United Nations development system to deliver on the 2030 Agenda will be discussed by Member States, we will continue to fully support the process steered by the Secretary-General and

retain the flexibility to respond accordingly to the decisions of Member States through the midterm reviews of the strategic plans.

I. The strategic setting

1. The world faces increasingly complex and interrelated challenges, which require sustained responses from the international community, the United Nations development system (UNDS), and from UNDP. The 2030 Agenda and the Sustainable Development Goals embody the universal commitment to deliver on these challenges in the years to come. The breadth and scope of the Goals reflect the complexity of sustainable development in the modern era and the scale of challenges to be addressed.

2. General Assembly resolution 71/243 of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR) establishes key system-wide strategic policy orientations and operational modalities for the development cooperation and country-level modalities of the UNDS.[2] It describes how agencies of the United Nations system should support countries in achieving the 2030 Agenda and related agreements, and provides a set of guiding principles and mandates for agencies of the UNDS, including UNDP. A process to reform the UNDS is currently underway, which will provide further guidance on strengthening coordination and effectiveness. The outcome of that reform process will have direct bearing on the work of UNDP in the coming years.

3. Impressive progress has taken place on many fronts of sustainable development. Global poverty has fallen from 35 per cent in 1990 to under 10 per cent in 2016, reducing the number of poor people in the world by over 1 billion. The world has united to recognize and address climate change. Digital technologies and advances in artificial intelligence have transformative implications for economies and societies, offering tremendous potential for progress.

4. Yet significant human deprivations persist. Around 650 million people still live in extreme poverty. Growing inequalities within and across countries affect a wide range of men, women and children: disparities between the advanced economies and low-income countries continue, and middle-income countries still house many of the extreme poor. Gender inequalities, including discrimination and violence against women and girls, continue to hamper global progress across multiple dimensions. Women and girls still make up a high proportion of people living in multidimensional poverty. Vulnerable groups are marginalized by structural barriers and discriminatory norms and practices. Urbanization, demographic change and future technology pathways can disrupt progress unless their positive potential can be harnessed.

5. Climate-related disasters have increased in number and magnitude, reversing development gains. Over the past decade, more than 700,000 women, men and children lost their lives, over 1.4 million were injured and approximately 23 million are homeless as a result of disasters.[3] And as the effects of climate change become more apparent, the world is crossing other planetary boundaries, for example, in the loss of biodiversity and forest cover. Conflict, sectarian strife and political instability have been on the rise. More than 1.6 billion people live in fragile and conflict-affected settings,[4] including half of the world's extreme poor. Around 244 million people are on the move,[5] including 65 million who are forcibly displaced.[6] The causes of crises are deeply interlinked and require multifaceted responses. Rising inequalities and declining trust in public institutions

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[2] Annex 2 of the Strategic Plan details how UNDP is responding to specific mandates of the QCPR as part of the UNDS.

[3] Sendai Framework for Disaster Risk Reduction 2015-2030, read online: http://www.unisdr.org/we/inform/publications/43291

[4] OECD (2016), States of Fragility 2016: Understanding Violence, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264267213-en

[5] United Nations Department of Economic and Social Affairs, International Migration Report 2015, read online: www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/MigrationReport2015_Highlights.pdf

[6] Office of the United Nations High Commissioner for Refugees (UNHCR), Global Trends – Forced Displacement in 2016, read online: http://www.unhcr.org/5943e8a34.pdf

reinforce the need to build and sustain peaceful, just and inclusive societies. And an increasingly globalized and interconnected world requires managing interdependence and cross-border spill-overs in many dimensions.

6. All the countries of the world, developing and developed, have committed to achieve the goals and aspirations of the 2030 Agenda. But as countries commence the post-2015 journey, they face complex development challenges. For some (including many in special development situations), alleviating widespread poverty, meeting basic social needs and establishing the foundations of effective and inclusive government and economic systems continue to be at the core of development policy. There is also the need to successfully complete the structural transformations required to sustain progress: transitioning to low-carbon development; building more effective and responsive governance systems; addressing inequalities and exclusion; and maintaining sustainable growth rates. Countries are also actively engaged in building resilience to shocks and crises; these range from small-scale, short-term shocks (an earthquake, flood or drought in one part of the country, short-term economic dislocation) to longer-term systemic crises such as a catastrophic environmental crisis or conflict.

7. The developmental challenges described above are not mutually exclusive. Countries encounter shocks and crises irrespective of their developmental situation, and even countries in similar developmental situations may choose different strategies and pathways for development. Countries that are dealing with structural transformations at the national level may have regions or communities where basic development needs still need to be met (i.e., pockets of poverty). Even where widespread poverty exists, countries and communities aspire to achieve sustainable, low-carbon development and inclusive societies.

8. There is therefore no "one-size-fits-all" approach to development. Countries determine their development priorities and approaches in response to their unique circumstances, seeking new ways to address complex challenges and trade-offs amidst uncertainty. Developmental challenges can affect women, men and children differently, requiring differentiated responses to ensure that no one is left behind. The enormity and the rapid pace of change necessitate decisive and coherent action on many fronts, with multiple actors and across different levels. Integrated responses need to be coherent not merely across sectors, but also coordinated across levels (international, national, subnational and local).

9. The UNDP Strategic Plan, 2018-2021 is framed within this setting. It outlines our support to programme countries in achieving the 2030 Agenda, working within the complex context described above and responding to the varied needs of countries at different points in the development spectrum as mandated by the QCPR. It also describes how UNDP will work to build and strengthen the partnerships required to meet these aspirations, both within the UNDS and with the growing array of other partners with whom we work today.

II. Working in partnership

10. The work of UNDP in 170 countries around the world is anchored in diverse and effective partnerships, which are vital to our two critical roles at country level: (a) as an integrator across policy, programmatic and organizational silos; and (b) as an operational backbone for the United Nations and other partners.

11. In line with the QCPR, UNDP remains committed to working ever more closely with partners across the United Nations, including with the Secretariat and its departments and in mission settings. UNDP plays different roles alongside sister agencies, as an integrator, service provider and implementation partner. The common chapter of the strategic plans of UNDP, UNFPA, UNICEF, and UN-Women describes key areas of collaboration among these four funds and programmes, and ways in which collaboration will be further strengthened during the strategic plan period. UNDP will also continue to work with other United Nations entities to promote more integrated United Nations Development Assistance Frameworks (UNDAFs) at country level in support of the 2030

Agenda. At the regional level, UNDP will continue to strengthen partnerships with the regional economic commissions, leveraging their policy expertise and regional convening capacity to complement the UNDP country-level focus.

12. **UNDP as an integrator**. Development challenges are increasingly complex, requiring ever greater collaboration across sectors and partners to deliver impacts at scale and to utilize limited resources efficiently. The breadth of expertise and country presence of UNDP make it unique within the UNDS to help countries to "connect the dots" on the most complex sustainable development issues. Given this and its reputation as an impartial partner, UNDP helps Governments to convene across line ministries and development partners to promote "whole-of-government" and "whole-of-society" responses vital for transformational change. UNDP is often called upon to support development coordination mechanisms at country level, assist countries to formulate their national development strategies and align them with the Sustainable Development Goals. This is facilitated by long-standing UNDP partnerships at the highest levels of government, including with ministries of planning and finance; law-making bodies, such as parliaments; and constitutional authorities.

13. **UNDP as an operational backbone**. The widespread country presence of UNDP has also served as an operational platform for United Nations agencies and other partners for many years. Many United Nations agencies utilize UNDP implementation capacity (including information technology, finance and human resources infrastructure) to enable them to operate effectively and cost-efficiently in difficult and sometimes risky operational contexts.

14. UNDP administers the United Nations Capital Development Fund (UNCDF) and United Nations Volunteers programme, both important assets to the United Nations system. UNDP integrates volunteers into the delivery of its projects and supports Governments in engaging volunteers and young people for the Sustainable Development Goals. UNCDF is the UNDP partner of choice on local development finance and financial inclusion to unlock public and private finance for the poor in least developed countries.

15. UNDP looks to expand and deepen its partnerships outside the United Nations system in the following areas: (a) South-South and triangular cooperation; (b) civil society; (c) the private sector; and (d) international financial institutions (IFIs).

16. **South-South and triangular cooperation**. UNDP will continue to work closely with the United Nations Office for South-South Cooperation and Member States to implement the UNDP strategy on South-South and triangular cooperation as an essential instrument to support implementation of the 2030 Agenda. A key element will be the launch of a global development solutions exchange within the global South.

17. **Civil society** plays many important roles in support of the 2030 Agenda, from advocacy and planning to implementation, monitoring and accountability. UNDP will continue to partner with and advocate for the inclusion of civil society (including women's rights and disabled people's organizations) in country-led efforts to achieve the 2030 Agenda, guided by the advice of the UNDP Civil Society Advisory Committee. Where requested, UNDP will also work with Governments to strengthen the capacities of civil society organizations and to help countries create space and opportunities for civil society to effectively engage in sustainable development.

18. **Private sector**. The private sector is a critical development partner, for example, by partnering with Governments and others on the implementation of Sustainable Development Goal-related policies and programmes, as a significant source of investment (especially domestic investment) for the Goals and by adopting business practices that move communities towards inclusive sustainable development. UNDP will broaden and deepen its responsible engagement with the private sector, working with Governments to mobilize private sector capital for domestic investments in the Sustainable Development Goals in accordance with national development priorities.

19. **International financial institutions and vertical funds**. The IFIs will remain a critical component of the development landscape, and are growing in scale and presence as new IFIs are

established at regional and global levels. UNDP is strengthening institutional partnerships with a number of IFIs to leverage their technical expertise and concessional financing resources to better support the 2030 Agenda at national levels. UNDP has an established track record in providing loan implementation support in many regions, and will build on these partnerships to strengthen collaboration with IFIs on development financing in supporting the Addis Ababa Action Agenda.

20. UNDP remains a vital implementation and policy partner to key vertical funds such as the Global Fund to Fight AIDS, Tuberculosis and Malaria and the Global Environment Facility. UNDP will accelerate its engagement with the Green Climate Fund and other potential sources of climate, development and/or blended finance to help develop investments aligned with the 2030 Agenda, in line with the Addis Ababa Action Agenda.

III. The UNDP vision and approach: helping to achieve the 2030 Agenda across diverse development contexts

21. The primary role of UNDP is to support country-led efforts to achieve the 2030 Agenda, as part of the UNDS, focusing on poverty eradication as the highest priority. In doing so, UNDP recognizes the special challenges faced by a range of countries as described in paragraph 10 of the QCPR. The 2030 Agenda requires action across a much wider range of issues than the Millennium Development Goals, with a stronger focus on universality and the intention (as stated in paragraph 4) to "leave no one behind" and "reach those furthest behind first". UNDP and the UNDS support programme countries in their efforts to successfully address diverse development challenges, from addressing basic development needs to achieving structural transformations for sustainable development, and preventing and recovering from shocks, crises and conflicts by strengthening development pathways.

22. These three development challenges are not mutually exclusive; in fact, they often coexist within the same country, requiring tailored solutions that can adequately address specific deficits and barriers. Countries may have addressed some fundamental development needs while still working to overcome others (e.g., strong social and governance institutions but limited economic growth and incomes, or strong economic growth but with underdeveloped social and political institutions) or may be faced with pockets of underdevelopment in otherwise robust national economies. Shocks and crises can also occur at any stage in the development trajectory, requiring crisis response capacities that are adaptable to a range of country situations. Underpinning all three development challenges is a set of core development needs, including the need to strengthen gender equality and the empowerment of women and girls, and to ensure the protection of human rights.

23. Supporting achievement of the 2030 Agenda requires varying combinations of resources, capacities and structures rather than a "one-size-fits-all" approach. In developing tailored approaches for each unique country context, UNDP will always respect national ownership in the analysis, design and implementation of solutions, as well as a partnership-based approach to leverage the range of skills and resources needed for effective solutions, both from within the United Nations system as well as from other partners.

24. Guided by the integrative approach embodied in the 2030 Agenda, the UNDP approach aims to effectively support sustainable development across these three broad development settings. The UNDP vision for the Strategic Plan, 2018-2021 is therefore:

to help countries to achieve sustainable development by eradicating poverty in all its forms and dimensions, accelerating structural transformations for sustainable development and building resilience to crises and shocks.

25. The scale and ambition of the 2030 Agenda require analytical, planning and implementation capacities that can address links, choices and connections across many issues and sectors of government. Many programme country Governments have recognized the need for additional system capacities in fields such as planning, finance, data and analytics, equality and universality

(leaving no one behind), gender, innovation and partnerships, amongst others, to be able to apply integrated, multidimensional approaches.

26. There are as yet no comprehensive, widely applicable systems or methodologies for integrated approaches to interconnected development challenges. Helping countries to build such capacities is therefore one of the key objectives of the UNDP Strategic Plan in the coming years. Developing such integrated approaches will require the combined capacities of the UNDS and other partners, working together to innovate solutions across a range of development contexts. To deliver on this vision, UNDP will reorient both its competencies and the way in which it functions within the broader UNDS. In this Strategic Plan, this ambition is framed as a better response to three sets of development settings, which require different forms of support:

A. Eradicate poverty in all its forms and dimensions

27. Millions of women, men and children remain in extreme poverty despite overall improvements since 1990. Millions of others slide back into poverty after barely crossing the threshold, because of shocks like economic setbacks, environmental disasters, catastrophic health expenditures or other crises. Today about 9 per cent of the world's population live in extreme poverty, around 650 million people across 120 countries, including a disproportionate number of women and people with disabilities.[7] Yet the largest numbers of people living in extreme poverty are increasingly to be found in middle-income countries. Effective poverty reduction also requires a focus on both the dynamics of "exiting" poverty and the dynamics of not "falling back". These are both multidimensional challenges that require integrated and multisectoral solutions. In the vast majority of countries, the risk of losing social and economic gains is as important as tackling deprivations themselves.

28. Addressing this fundamental development challenge requires multisectoral, integrated solutions for the provision of adequate employment and incomes for men and women, addressing structural barriers to women's economic empowerment and providing basic social protection and effective services and infrastructure, particularly for people with disabilities. This also requires establishing and maintaining inclusive, responsive and accountable governance at national and local levels.

B. Accelerate structural transformations for sustainable development

29. Developing countries are also looking to accelerate structural transformations required to sustain progress. They seek to do so by addressing inequalities and exclusion, transitioning to zero-carbon development and building more effective governance systems that can respond to megatrends such as globalization, urbanization and technological and demographic changes. Inclusive and accountable governance is a key driver of structural transformations. Reducing gender inequality and empowering women and girls is also an important means to accelerate sustainable development. When women can play a full and equal role in social, economic and political life, economies are stronger, communities are more inclusive and resilient, and political priorities tend to emphasize important development priorities.

30. Other challenges requiring structural transformation approaches include effectively leveraging technological advances such as automation, digitalization (for instance in finance and government service delivery), the Fourth Industrial Revolution,[8] overcoming unsustainable natural resource management practices and systematically addressing insufficient or outdated infrastructure and services. To address these challenges, Governments require access to high-quality technical and

[7] World Poverty Clock by World Data Lab

[8] Schwab, Klaus (January 11, 2016) The Fourth Industrial Revolution World Economic Forum https://www.weforum.org/about/the-fourth-industrial-revolution-by-klaus-schwab

policy advice, innovative development finance solutions to leverage domestic and international, public and private investments (including blended finance approaches), and greater capacities to promote innovation, South-South cooperation and knowledge-sharing.

c. Build resilience to shocks and crises

31. Distinctive development challenges confront countries and communities that are impacted by hazards and slow- or rapid-onset crises. These crises can range from limited, short-term shocks (e.g., most geophysical and climatic hazards, disease outbreaks, sudden economic downturns, etc.) to protracted crises such as conflict or major droughts, epidemics or economic collapse. The impact of climate change will continue to disrupt economies and the lives of billions. Extreme weather events are becoming more frequent and devastating, resulting in the reversal of development gains even in countries with significant levels of socioeconomic progress. Changing weather patterns, rising sea levels and more extreme weather events are impacting small island States in particular. Extreme droughts can potentially exacerbate unrest and conflict at the local level, particularly in arid and semi-arid regions which are already facing water scarcity and increasing pressure on natural resources. Disease outbreaks, sometimes linked to climate change and environmental degradation (e.g., pollution or deforestation), can trigger epidemics once they reach major population concentrations and transportation networks.

32. To respond to these disasters and crises, Governments require support in their efforts to return to sustainable development pathways, while increasing their abilities to proactively manage risk and strengthen resilience to future crises. Strengthening resilience enables countries to better respond to disasters and crises whether these are induced by environmental, economic or social factors. Strengthening national crisis prevention capacities and resilience-building includes a range of activities prior to, during and in the aftermath of humanitarian emergencies, including for instance strengthening national capacities for crisis response, climate change adaptation, disaster early warning and risk reduction and post-crisis recovery. Such support to national capacities will be built on foundations of inclusive and accountable governance, together with a strong focus on gender equality, the empowerment of women and girls and meeting the needs of vulnerable groups, to ensure that no one is left behind.

IV. The UNDP approach: signature solutions adapted for three development settings

33. All countries are seeking new ways to address complex and interconnected challenges such as shocks from crises, economic stagnation, inequality and poverty, providing access to clean and affordable energy or mitigating and adapting to climate change. UNDP aims to develop integrated responses to these issues through signature solutions, using the three sets of development settings above as frames to tailor the response to specific country needs and demands.

34. This Strategic Plan proposes a series of signature solutions that can be combined and configured to respond to the development settings outlined above. Each signature solution is applicable across the contexts of the three development settings, with differentiated approaches in each. The signatures – framed around challenges such as poverty reduction, effective governance, risk, recovery and resilience, gender equality and environment – demonstrate how the core competencies of UNDP will be reoriented in line with the Strategic Plan's new vision and approach. Each signature solution is built on a theory of change with a mix of interventions designed to achieve significant progress towards key Sustainable Development Goals and targets.

35. An initial set of signature solutions is presented here to illustrate the approach. Each of these signature solutions will be delivered in partnership with other United Nations agencies, in line with comparative advantage and operational capacities and in response to government requests. These signature solutions will be further refined and elaborated as they are rolled out. The set of signature solutions presented here are expected to encompass most UNDP activities during the strategic plan

period. Based on country requests, UNDP may develop further signature solutions in partnership with relevant agencies and partners on the ground, on emerging issues such as urbanization, migration, managing demographic transitions or the connection between disease outbreaks and environmental degradation.

36. **Signature solution 1: Keeping people out of poverty.** This signature solution will target the barriers and vulnerabilities that keep people in poverty or that push them back into poverty, including when shocks and crises occur. It will use a mix of solutions including improving rural and urban livelihoods, strengthening gender equality, building social protection, ensuring access to water, clean energy and other basic services and strengthening financial inclusion, in order to help build resilience to economic, environmental or health shocks. In rural areas which are largely dependent on agriculture and natural resources, this signature solution will be closely related to issues of food security and the resilience of agricultural systems. In contexts where the dominant challenge has moved beyond addressing poverty thresholds, this signature solution will assist with transitions and structural shifts including economic diversification, redressing widening inequalities including gender inequalities, technology and skills alignment, etc., Investing in new technologies, including those that help reduce emissions, and supporting climate policies will be critical for sustainable poverty reduction. The technical capacities of agencies such as the United Nations Environment Programme (UNEP) and United Nations Industrial Development Organization will be valuable in the work on emissions reduction, to complement the technical and implementation capacities of UNDP. In the context of crises, securing incomes and assisting recovery efforts for building resilience to reversals will be an important entry point so that once stabilized, countries can return to sustainable development pathways. In delivering this signature solution, UNDP will work in collaboration with key sister agencies such as the Food and Agriculture Organization of the United Nations (FAO), International Labour Organization (ILO), UNICEF and UNFPA on livelihoods, job creation and social protection, UNCDF on financial inclusion and UN-Women on the gender dimensions of job creation and crisis recovery, amongst others.

37. **Signature solution 2: Strengthen effective, inclusive and accountable governance**. Inclusive and accountable governance systems and processes are recognized as crucial to sustainable development and human security.[7] This solutions package will therefore focus on supporting diverse pathways towards peaceful, just and inclusive societies, building on the UNDP comparative advantage and long track record in governance. Some development contexts may require support for core governance functions, establishing local service provision, rule of law, anti-corruption capacities and access to justice. Some may require assistance with accessing and using development finance and official development assistance (ODA), which may be provided in collaboration with the Department of Economic and Social Affairs, UNCDF and IFIs. Others may request innovative support for improved regulatory capacities, enhanced legal frameworks, strengthened institutions and local governance capacities. In crisis contexts, support may be requested for re-establishing core governance functions, to support long-term preventive solutions that address root causes of conflict and disasters. This solution will seek to build inclusive, effective and accountable institutions and mechanisms for the peaceful resolution of conflict and for advancing social cohesion. This requires ensuring the inclusion of women, youth, people with disabilities and other traditionally marginalized groups, working in partnership with agencies such as UNICEF, UN-Women and others.

[7] As set out in General Assembly resolution 66/290 of 10 September 2012 on follow-up to paragraph 143 on human security of the 2005 World Summit Outcome

38. **Signature solution 3: Enhance national prevention and recovery capacities for resilient societies.** Building resilience to the impact of disasters and emergency situations (whether from socioeconomic or natural causes) requires efforts to minimize the drivers of risk ingrained within development processes and to strengthen human security. This signature solution will harness the UNDP developmental approach and expertise across the issues of conflict prevention, peacebuilding, disaster risk reduction, climate change adaptation and mitigation and crisis response, to help countries avoid crises and return quickly to stable development after crises occur. Strengthening national capacities for disaster risk reduction to reduce exposure of people, assets and livelihoods to hazards will require integrated support to government and national stakeholders, working in partnership with humanitarian agencies and the United Nations Office for the Coordination of Humanitarian Affairs. Where countries are responding to humanitarian emergencies, this signature solution will assist with development and recovery choices that reduce vulnerability and contribute a development perspective to strengthen humanitarian and – where relevant – peacebuilding responses, in order to strengthen the continuum from relief to rehabilitation and development. Investing in new technologies, including those that help reduce emissions, will be critical for transitions to sustainable development. This signature solution will support nationally-led needs assessments and stabilization, peacebuilding and recovery efforts, consistent with the principles enshrined in General Assembly resolution 46/182 of 19 December 1991 on strengthening of the coordination of humanitarian emergency assistance of the United Nations. Within UNDP, this signature solution will require greater collaboration across the conflict prevention, governance, disaster risk reduction and climate change adaptation areas of work, to provide countries with a more integrated and holistic approach to resilience while recognizing the need for tailored responses to natural disasters, humanitarian emergencies and other forms of shocks and crises.

39. **Signature solution 4: Promote nature-based solutions for a sustainable planet.** Biodiversity and terrestrial and marine ecosystems provide the foundation for human societies and a safety net of resources and ecosystem services for billions of people. UNDP will apply integrated actions developed in partnership with FAO, UNEP and others to address biodiversity loss by tackling market, policy and governance failures that lead to ecosystem degradation. These actions will build on existing partnerships with these agencies including for instance through the Global Environment Facility, the Poverty-Environment Initiative and the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries. Furthermore, addressing finance, tenure, water and land rights, with a clear understanding of the differentiated impacts, access and contributions of women and men and also of indigenous communities will be critical. In some development contexts, strengthened ecosystem management and nature-based solutions can help achieve food and water security and sustainable livelihoods. In other contexts, this signature solution will help Governments to identify and access new financing opportunities, promote policy coherence on natural resources and help transitions to green economies. In the aftermath of crises, this signature solution can assist with sustainable recovery efforts protecting natural resources, biodiversity and ecosystems.

40. **Signature solution 5: Close the energy gap**. Access to clean and affordable energy is a critical enabler for sustainable development whether it be for nutrition, transport, education or economic opportunity, among others. This solution will focus on increasing energy access, promoting renewable energy and enhancing energy efficiency in a manner that is inclusive and responsive to the needs of different sectors of the population (urban/rural, women/men, household/business), in line with the aspirations of Sustainable Development Goal 7. The transition to clean and affordable energy will also help countries to reduce the impacts of indoor and outdoor air pollution, particularly in rapidly-developing urban areas. The signature solution will support countries' transitions to sustainable energy systems by working to de-risk the investment environment and to attract and leverage private and public-sector resources. In certain contexts, where energy does not yet reach everybody, it will be necessary to focus on supporting innovative private and public solutions to increase energy access and delivery. In contexts where energy is already available to most or all people, the focus will be on transitioning to renewable energy generation and energy

efficiency measures and policies. In crises and post-crisis situations, this solution will focus on re-establishing energy access where it has been lost, strengthening risk-informed zero-carbon development. In delivering this signature solution, UNDP will collaborate with other agencies under the UN-Energy framework and the Sustainable Energy for All initiative (for which UNDP supports regional hubs in Africa, Asia and the Pacific, and Latin America and the Caribbean, together with regional commissions, regional development banks and other partners).

41. **Signature solution 6: Strengthen gender equality and the empowerment of women and girls.** Significant gender inequalities persist in every region of the world, manifest as the unequal distribution of care work, lack of equitable access to decision-making and unequal access to basic services, assets and finance. Addressing these inequalities and their structural causes, and discriminatory practices that perpetuate them, requires sustained, multisectoral interventions. The signature solution will entail work with ILO, UNFPA, UN-Women and other agencies to develop interventions to reform discriminatory laws, institutions and policies. It will enable decent work in formal and informal sectors, access to basic services and infrastructure including clean energy, sanitation and physical security. Further, this solution will focus on promoting equal political and economic participation enabled by supportive policies. Interventions in these areas will help improve equitable access to transformative livelihoods and strengthen women's resilience through gender-responsive and sustainable economic and environmental policies. This signature solution will be delivered in partnership with relevant sister agencies, recognizing in particular the role played by agencies such as UN-Women and ILO in establishing norms and standards. UNDP will support, as requested, gender mainstreaming in development strategies in order to enable the gender-responsive implementation of the 2030 Agenda and related agreements.

Tailoring the response to development settings

42. The signature solutions described above will be applied in varying combinations depending on the specific development settings countries are facing. Each signature solution will be tailored using a mix of policy advisory, technical assistance, financing and programme implementation modalities. In each case, the development and implementation of these signature solutions will be undertaken in close collaboration with partner agencies at the country level, building on their respective comparative advantages and recognizing normative roles, mandates and available expertise.

43. In those contexts where there is relatively greater country priority on poverty eradication, UNDP will support, together with relevant partners, the development of institutional arrangements for coordinated action at national and subnational levels (e.g., for jobs and livelihoods creation, basic service provision, access to financial and non-financial assets and social care and protection, focusing in particular on the gender dimensions of each). As part of its integrated approach, UNDP will focus in addition on risk reduction to address vulnerabilities faced by the poor and marginalized arising from climate change and environmental degradation. Enabling greater voice and participation of the poor in structures and processes of governance will be essential as well, to promote agency and well-being.

44. Where country priorities place relatively greater emphasis on structural transformation, UNDP will work to help plan, prioritize, sequence and finance integrated policy solutions to complex challenges. This will require emphasis on capacities for assessing trade-offs, managing risk and uncertainty and strengthening long-term planning. It will also demand development of country capacities to de-risk economic and infrastructure investments by strengthening the geophysical, social, economic and governance environments. Support will be offered to implement environmental sustainability principles, deepen governance capacities, promote gender equality and the empowerment of women and girls, increase resilience and risk management capacities and enhance inclusiveness (including on the basis of gender, minority status and disability) to reduce risk premiums and increase the catalytic effects of development investments. A key concern will be to strengthen capacities for whole-of-government and whole-of-society approaches to manage complex interventions.

45. The UNDP response to crises will be targeted at countries and communities that are dealing with sudden or protracted shocks and crises, whether from climate and natural disasters or from conflict and social upheaval. The focus will be on work with Governments, host communities and humanitarian and peacebuilding actors (including the humanitarian country team and peacekeeping operations) to help affected populations minimize the long-term impact of crises and return to a sustainable development trajectory as quickly as possible, operating in line with the principles of humanitarian assistance enshrined in General Assembly resolution 46/182. In doing so, UNDP will work to reflect the needs and contributions of women and other groups that may be marginalized or vulnerable. Solutions will be designed for rapid and flexible deployment, with the ability to scale up and scale down quickly as required.

46. UNDP work on crisis responses and recovery (including early recovery) will help ensure that responses by humanitarian actors are complemented by a developmental focus to ensure a rapid return to sustainable development pathways, within the framework of country ownership and leadership. This will mean contributing, in coordination with other agencies and in the context of a "whole of United Nations response", to supporting effective management of crisis systems and procedures, in partnership with the humanitarian and other actors responsible for stabilization interventions and system-wide disaster and conflict risk management. UNDP will collaborate with relevant partners, including UN-Women, to ensure that gender dimensions are effectively addressed.

47. Across all the contexts in which it works, UNDP will prioritize the collection and use of disaggregated data and analyses for identifying those being left behind, and support the design of targeted interventions to reach them. The work of UNDP will, in all cases, address the specific challenges faced by women and girls and the deficits faced by marginalized and vulnerable groups, including people with disabilities. The organization will also aim to lay strong foundations for effective planning, financing, mobilization and delivery of ODA, domestic government cost sharing and, where this is requested and feasible, other forms of development finance from public and private sources, including through the use of innovative instruments.

V. How we will deliver: Two platforms for effective support to the 2030 Agenda

48. UNDP proposes to deliver its signature solutions through two platforms: (a) country-level support platforms for the 2030 Agenda; and (b) a global development advisory and implementation services platform. These platforms represent combinations of systems, services, knowledge and skills that change how UNDP organizes and deploys its assets and capabilities to achieve greater integration and improve efficiency and development effectiveness.

49. The **country support platforms** will help countries to design and deliver integrated solutions to complex development problems that require multisectoral action across economic, social and environmental issues. They respond to the growing demand for greater collaboration amongst a wide range of actors (United Nations, government, civil society, private sector, IFIs, etc.) recognizing that the Sustainable Development Goals, and the aspirations that underpin them, cannot be achieved through stand-alone sector or issue-based approaches. The platforms will help craft country- and context-specific solutions to a range of challenges such as addressing critical bottlenecks and accelerators, supporting Governments to strengthen the alignment of national development plans, budgets and implementation systems with the Sustainable Development Goals and creating effective mechanisms for multi-stakeholder, "whole-of-society" approaches to the Goals.

50. Initial financing and staffing for the country platforms is being offered by UNDP, with the hope that these platforms evolve into broader partnerships with other United Nations agencies, government counterparts and other partners (IFIs, bilateral development agencies, philanthropies, civil society, academia, private sector, etc.) as appropriate in the country context and as agreed by

Governments. Country platforms will function under the leadership of resident coordinators as a part of the United Nations country team coordination structure, under the overall direction of host Governments as agreed in the UNDAF or equivalent cooperation framework. They are not intended to replace the UNDAF or the resident coordinator system, or to substitute for national development planning processes. They are instead offered by UNDP as additional technical capacity to address complex, multisectoral development challenges that require integrated responses across multiple agencies.

51. Many sector-specific development challenges can be effectively addressed by individual United Nations agencies working directly with their government counterparts, and through existing coordination mechanisms including for humanitarian response. These challenges will continue to be addressed by individual agencies and mechanisms according to their mandates and comparative advantages. (This includes many of the sector-specific activities undertaken by UNDP as part of its regular country programmes.)

52. The country platforms will be mobilized only to help address challenges that require integrated, multisectoral responses. The platforms will support the iterative ideation, design, testing and deployment of solutions packages implemented by coalitions of partners, underwritten by diverse sources of funding and with the appropriate data and reporting systems for impact verification.

53. In countries facing humanitarian emergencies, conflict and post-conflict situations, the platforms can also facilitate greater cooperation and complementarity across development, humanitarian and sustaining peace efforts, complementing existing coordination systems and structures if required. This will also enable a greater ability to scale and reconfigure where needed (for example in the transition from mission to development settings, through surge capacity for crisis response and in response to rapidly changing country demands).

54. The platforms will ultimately consist of a core team trained in complexity and systems analysis, data systems and design thinking, backed by expertise on design finance, futures thinking and planning (housed where necessary in subregional, regional or global hubs, or provided through partnerships with leading research and academic institutions). In-country capacities will be built up over time as demand for services grows and resources are made available. In the initial stages, country platforms may consist of one or two dedicated staff, supported by experts from the UNDP global development advisory and implementation services platform described below and technical capacities made available by other agencies.

55. Country platforms will be underpinned by more integrated and flexible operational and financing mechanisms including, where possible, joint funding mechanisms for country-level Sustainable Development Goal support and standard operating procedures for joint work, building on the experience of "Delivering as One" countries and joint programmes such as the United Nations Joint Programme on HIV/AIDS.

56. The country platform approach builds on prototypes and early stage pilots already in operation in some parts of the world, including solutions UNDP built for the Millennium Development Goals and the United Nations Development Group Mainstreaming, Acceleration and Policy Support ("MAPS") initiative. These platforms will be rolled out progressively across programme countries in response to national demand and in close consultation with United Nations country teams and other partners. Priority will be given to countries where other agencies are willing to support establishment of such platforms as joint One United Nations initiatives. Annex 4 provides a series of illustrative examples of such country prototypes and early stage pilots.

57. The **global development advisory and implementation services platform** is intended to serve a dual purpose: firstly, to provide high-quality technical and policy advisory support to country platforms and UNDP country programmes; and secondly to support UNDP global knowledge, innovation and partnership-building efforts within the UNDS, as well as with IFIs and a wide range of other partners.

58. The global platform will bring together the existing policy and technical advisory expertise in UNDP to develop and apply signature solutions across the three development contexts mentioned earlier, working through the country support platforms and broader UNDP country operations. This pool of expertise will be stationed globally, regionally and at country level (including in multi-country offices where appropriate), managed using a business model that ensures efficient, scalable and cost-effective delivery of services for different country contexts. This may include, for instance, relatively greater focus on high-end specialist advisory services for structural transformation issues (where countries have the capacity to implement the solutions themselves) or greater focus on implementation support and institutional capacity-building where countries are addressing basic development challenges and the response to disasters and conflict.

59. The global platform will facilitate the development of innovative, data-driven solutions built on improved data and analytical capacities and a strong knowledge management platform. Solutions to Sustainable Development Goal challenges are being developed by Governments and other actors in programme countries across the global South. A core responsibility of the global platform will be to facilitate UNDP efforts to capture, disseminate and help implement these solutions through South-South and triangular cooperation approaches.

60. The global platform will be used to drive innovation into the heart of the UNDP approach. Central to this will be building UNDP capacity to adopt and apply innovative approaches across context analysis, programme design and operational implementation. A stronger approach to innovation begins from strong leadership with clear vision and purpose, to create an environment that encourages constructive risk-taking, stronger associative thinking and a greater emphasis on sharing, refining and disseminating knowledge.

61. A vital element supporting the global platform will be the operational infrastructure of UNDP. This embraces extensive capacities in human resources management, finance, procurement, information and communication technology, legal affairs, security and administration. These capacities are housed in 135 country offices, additional specialist offices, five regional hubs and three global shared services centres in Copenhagen, Kuala Lumpur and New York. Uniquely among United Nations and other multilateral institutions, this infrastructure makes it possible for UNDP to deliver implementation services in 170 countries and territories worldwide.

Figure 1. The UNDP approach: two platforms to support integrated solutions for the 2030 Agenda

Building on lessons learned including from the evaluation of the Strategic Plan, 2014-2017

UNDP adopted an evidence-based approach to the formulation of the Strategic Plan, 2018-2021, drawing on lessons extracted from programme and project implementation, results and performance factor analyses, as well as findings, conclusions and recommendations of audits and independent and decentralized evaluations. Additionally, feedback provided by partnership surveys and external multilateral and bilateral reviews including the Multilateral Organization Performance Assessment Network (MOPAN) and Multilateral Development Reviews and Joint Inspection Unit reports was carefully considered in shaping our offer for 2018-2021.

In the new Strategic Plan, UNDP took particular account of findings, conclusions and recommendations of the independent evaluation of the Strategic Plan, global programme and regional programmes 2014-2017 and the joint assessment of institutional effectiveness by the Independent Evaluation Office and Office of Audit and Investigations. Specific recommendations include continuing to build a solid organizational results culture, results-based budgeting, programme quality and enhanced value for money.

In the upcoming period of the Strategic Plan, 2018-2021, UNDP will work to:

(a) Develop integrated policy and programmatic content. UNDP will improve its performance through quality programming, building on the strengths and opportunities noted in the evaluation and strengthening proficiencies in multidisciplinary, targeted approaches to poverty reduction and in enabling responsive institutions, democratic governance, public administration and access to basic services through all programmes and projects, with a central role in advancing the Sustainable Development Goals;

(b) Strengthen collaborative engagement, partnerships and coordination with other development partners. UNDP will strive for alignment with the United Nations system and other partners, working collaboratively with the funds and programmes in the priority areas of poverty eradication, gender equality and women's empowerment, building and sustaining peace, climate change and sustainable data.

(c) Mainstream gender equality and women's empowerment and South-South and triangular cooperation across operational programming. Concrete improvements in policy, institutional and programming measures and processes for gender equality and the progress in filling the policy gap in South-South cooperation through the adopted strategy and operational approaches as noted by the evaluation will remain central to continued efforts by UNDP to accelerate development progress for all.

VI. Enabling UNDP delivery of the Strategic Plan and support to the 2030 Agenda

62. UNDP defines its business model as the combination of systems, processes, instruments, partnerships and financing that effectively and efficiently support the delivery of programmes and projects. This document articulates a high-level vision of the analysis and work that will be undertaken both to improve the current UNDP business model as well as to evolve and innovate a future business model for UNDP.

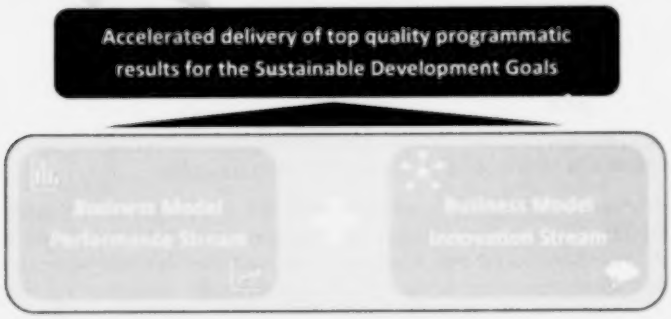
63. The UNDP business model will need to continuously improve as contexts and demands change to enable the organization to respond more effectively to government requests vis-à-vis the 2030 Agenda and the Sustainable Development Goals, as well as to deliver results against the Strategic Plan, 2018-2021. The areas for improvement are broadly defined by the QCPR with its call for a more coherent and efficient UNDS, and more specifically by the evaluation of the Strategic Plan, 2014-2017 and its recommendations to seek further efficiencies, review policy advisory services

and improve financial sustainability and the funding model. In addition to the above, UNDP will draw on audit and programmatic and other evaluation findings to inform its work.

64. Improvement will be driven by two streams of work: performance and innovation. The performance stream will focus on making the current business model more cost-efficient and effective in the immediate term. The innovation track will create new approaches to how UNDP does its work, test them for scalability and financial feasibility and replicate as needed. Innovation is also about new financial and legal instruments to enable UNDP to be more nimble and enterprising, and new capacities of staff to develop and deliver an integrated offer to government partners. The streams are interconnected: the search for organizational efficiency may require innovation, and innovations can in turn provide such efficiencies.

65. Combined, the two streams will seek to improve the UNDP business model by adapting the underlying ways of working and capacities required to provide an integrated service offer that is rooted in the 2030 Agenda and the Sustainable Development Goals. This approach needs to anticipate evolving needs, bring clearly articulated and measurable added value and enable results at scale, while being underpinned by risk-informed decision-making and innovative partnerships (including with the private sector), and improved financing mechanisms.

Figure 2. Accelerated delivery of top-quality programmatic results for the Sustainable Development Goals



66. UNDP country offices are the programmatic and operational backbone of the organization and will be central to the two streams of work, as well as key beneficiaries of the outcomes. The improved business model will empower country offices to deliver the services requested of them within their diverse operating contexts, in a manner that is financially sustainable.

A. Business model: Performance stream

67. The performance stream is comprised of initiatives in the following areas: (a) improved project delivery and cost recovery; (b) cost effectiveness and efficiency; and (c) improved operational service arrangements for the United Nations family. Baselines will be established at the outset, drawing on existing data and indicators where possible.

1. Improved project delivery and cost recovery

68. In 2013 the Executive Board approved a harmonized methodology for calculating cost-recovery rates and endorsed a harmonized cost-recovery rate of 8 per cent for other resources (non-core contributions). An independent and external assessment was performed in 2016 on the consistency and alignment of the new cost-recovery methodology with General Assembly resolution 67/226 of 21 December 2012 on the QCPR, and found that whilst UNDP was compliant with the harmonized cost-recovery and integrated budget frameworks approved by the Executive Board, some challenges remained.

69. Average general management support (GMS) rates increased from 6.1 per cent in 2014 to 6.4 per cent in 2016 but are still below the approved rate of 8 per cent. Differentiated rates for specific funding sources, waivers and legacy rates for projects already negotiated affect the average GMS rate. Analysis and improvement of key processes underpinning project delivery will be undertaken to provide gains in delivery rates and further reduce the waivers to agreed GMS rates.

70. Cost-recovery efforts will also focus on the more effective, transparent and simplified use of the direct project cost approach. Methods and guidance for accurate identification and inclusion of project management costs in project documents will be reviewed, improved and simplified as will the related monitoring mechanisms.

71. The various modalities through which programme countries contribute to UNDP – government local office costs, net contributor country and upper-middle-income contributions – will be reviewed with the aim of simplifying processes where possible and communicating the purposes of the different streams more effectively.

2. Cost effectiveness, efficiency and value for money

72. UNDP will continue to seek efficiencies in its operations as informed by performance metrics, business intelligence and other quantitative and qualitative measures, including value for money of the development activities undertaken and the benefits delivered. Streamlining of processes with the aim to remove unnecessary and wasteful steps, including redundant compliance processes, will be critical in this work stream, taking into account factors such as risk management, accountability and empowerment and the need for differentiated country office capacities.

73. Analysis will be undertaken concerning the strategic use of regular (core) resources, including current functions covered by such core resources and the implications of declining contributions to regular resources. The analysis will lead to the development of scenarios for future regular resources funding that will inform strategic choices on their utilization.

74. Responding to the recommendations of the evaluation of the previous Strategic Plan, the financial sustainability of the policy advisory and bureaux support functions will be reviewed. There is scope for innovation in the policy advisory area, and thus this will be an issue addressed early on in the innovation stream. The evaluation also recommended strengthening the coherence of crisis risk-reduction and recovery support, which will also be included as part of the overall analysis and innovation stream.

75. Analysis of country office capacity and full cost for delivery will be undertaken; this analysis will consider a range of variables, including the diverse settings in which country offices operate; the scale and nature of demand for UNDP programmes and partnerships; government partner capacities in areas of requested support; income and expenditure by funding sources; in-country, multi-country and non-resident models; and other factors that emerge through the analysis. Business process improvement will be undertaken based on this analysis, as will further vertical and/or subregional horizontal clustering of operational services as determined by a clear cost/benefit case. Institutional resource allocation decisions will be informed by this analysis.

76. In recognition that UNDP staff capacity at all levels must similarly evolve to effectively and efficiently deliver results against the Strategic Plan and develop and deliver integrated service offerings, UNDP will broaden its partnerships with online and other training providers, increase access to open online learning courses for specific thematic and technical areas, and further enhance its emerging and future leader development programmes to focus more on partnership development and multi-stakeholder dialogue and negotiation so as to better reflect the integrated approaches required to achieve the Sustainable Development Goals.

3. Improved operational service arrangements for the United Nations family

77. The third area of work within the performance stream will aim to improve operational service arrangements for the United Nations family; this responds to the QCPR call for progressive implementation, where appropriate, of standard operating procedures and business operating

strategies and the need to seek further synergies and adopt flexible, cost-effective and collaborative models for its field operations. The Secretary-General has also called for more common approaches to shared service delivery at the country level.

78. With a presence in around 170 countries and territories, UNDP has the largest operational platform within the United Nations family. UNDP also provides a significant range and volume of services to United Nations agencies, funds, and programmes, including in 2016, disbursement of $1.3 billion through UNDP payroll systems in 114 currencies; administration of benefits and entitlements for over 16,600 staff and non-staff across 40 agencies, funds, programmes and entities; and provision of shared premises and common services for other agencies in 113 countries.

79. UNDP will aim to strengthen its client orientation within the United Nations system. The steady improvement in its operational efficiency will allow UNDP to offer other agencies better operational support on request, either towards implementing programmes in countries where funders are not present, or to reduce the need for other agencies to have operational capacities on the ground. Specific actions include development of a client feedback mechanism for United Nations agencies regarding quality of service provision, formulation of service-level agreements as appropriate, support to the formulation of business operation strategies as part of the UNDAF formulation efforts, and development of a more transparent and clear methodology for calculation of service costs to be included in the Universal Price List.

B. Business model: Innovation stream

80. While UNDP focused on programmatic innovation in the previous Strategic Plan, innovation in its business model has not received similar attention. The innovation stream will focus on exploring new ways of doing business through a process of idea generation at the country and regional levels, business case development, testing, iterative improvement and scaling up or down when feasible. Managing the knowledge that emerges through this work – including the expertise developed and how to source it – will be critical to the success of the innovation stream. Innovation labs will be a mechanism through which ideas are surfaced and developed, with different country offices or units taking the lead based on their expertise on the issue and ability to carry the work forward. It is envisaged that the innovation stream will proceed concurrently, although the performance stream will take prominence at the outset as to address immediate challenges and provide a better basis for the emerging innovations.

81. The innovation stream will involve significant interaction with UNDP partners, the private sector and civil society. Innovation is often a result of co-creation among various actors, and thus will be driven by a conversation with those that the organization serves.

82. Country offices are of particular importance as innovation in different areas of the UNDP business model is already occurring, such as testing fee-for-service-based consultancy models in country offices and service clustering at the subregional level, flexible and cost-effective advisory services arrangements for Green Climate Fund project formulation, proactive engagement with the private sector through Sustainable Development Goal platforms, and utilization of local expertise. However, much of this innovation is not being brought to scale and financially modeled or shared across the organization.

83. Potential areas for innovation in the business model have started to emerge through the formulation of the Strategic Plan and as the innovation stream begins work, more areas will emerge. Some business model innovations may span the full scope of operations of UNDP, while others may be country- or region-specific tools or instruments.

84. As pointed out in the evaluation of the Strategic Plan, 2014-2017, one area of focus concerns the way UNDP provides policy advisory services. The integrated nature of the Sustainable Development Goals and demands from government partners for similarly integrated policy advisory services may require an approach that readily combines expertise from an array of actors.

85. A second area will be the ability of UNDP to partner effectively with and leverage the private sector in support of countries' policy priorities. The UNDP private sector strategy, 2016-2020 notes several areas of work that can be undertaken to define and develop a service offering that better facilitates such partnerships. Specific processes, skills and legal instruments will be tested and developed, with the overall aim to strengthen the ability of UNDP to be a catalytic organization that helps Governments to create a better enabling environment for private sector funding for government priorities, and by providing services to help mobilize private capital and other investments for country development where appropriate.

86. A third area of work will focus on developing innovative financial, legal, project and human resource modalities that are more suited to the UNDP operational presence and tempo, balance accountability with risk-informed decision-making and could be utilized by other United Nations agencies, programmes and funds.

87. A fourth focus may review the incentive system for country offices that meet or exceed performance targets such as delivery rates and efficiencies in management to programme ratios, for example. Country offices are a point of contact for key actors in each country and therefore are often the starting point for innovation within UNDP.

C. Next steps

88. It is envisaged that task teams will be formed for the performance stream of work and workplans established that include baselines to measure performance improvements. The task teams will be drawn from relevant country offices and bureaux as needed. For the innovation stream, UNDP will develop a briefing note outlining how it will govern the innovation work internally, the principles that will drive such efforts, an articulation of how the multi-stakeholder dialogues will be undertaken, and an articulation of how the innovations labs will be operated, including a results framework. This briefing note will be progressively improved through rounds of informal consultations with key stakeholders during the first quarter of 2018.

VII. Looking forward

89. The Strategic Plan, 2018-2021 proposes a new approach for UNDP, as a core institution within the UNDS, to respond to the challenge of supporting achievement of the 2030 Agenda. It outlines the UNDP response to the range of development contexts within which programme countries operate, the UNDP signature areas of focus and the two platforms through which UNDP will deliver support. The Strategic Plan proposes a bold new approach for UNDP, responding to the integrated and transformative nature of the 2030 Agenda. Such a significant refocusing of approach generates a range of challenges and risks, including inter alia "re-skilling" and redeploying staff capacities to provide the range of services needed; generating sufficient support and collaboration from other agencies to provide truly integrated multidimensional solutions; and mobilizing the resources needed to establish and operate effective country platforms. The outcomes of the UNDS review mandated by Member States in the QCPR may also necessitate changes to the approach and plan elements that have been proposed.

90. UNDP will mitigate these risks by taking an incremental, inclusive approach to developing new capacities, platforms and solutions, and through proactive, ongoing engagement with partner agencies and Member States to ensure wide support for the new approaches being proposed. The outcomes of the UNDS review, as adopted by Member States, will be reflected in the UNDP approach to ensure full alignment with the direction set for the United Nations system. Any adjustments required in this regard will be communicated to Member States through the Executive Board and during the midterm review of the plan.